



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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Wayne

December 3, 1998

CERTIFIED RETURN RECEIPT

P 074 976 667

Robert L. Steele  
1075 North 400 East  
Nephi, Utah 84648

Anthony T. Peck  
76 South 600 East  
Lehi, Utah 84043

Dear Messrs. Steele and Peck:

Re: **Conditional Approval, Large Mine Permit Transfer and Reclamation Contract,**  
**Thomas J. Peck & Sons, Nephi Gypsum Quarry, M/023/011, Juab County, Utah**

During a recent review of our Nephi Gypsum Quarry mine file records, we discovered a large mine permit transfer document and a reclamation contract agreement (Form MR-RC) which were filed by you and Anthony T. Peck in August of 1995. Due to an unfortunate internal oversight, we failed to process these documents in a timely manner and notify you accordingly of our acceptance. Pursuant to the authority granted under Utah Code, Section 40-8-14 (1953, as amended), we hereby formally acknowledge our acceptance and **conditional** approval of the permit transfer and reclamation contract agreement forms. Due to recent revisions of the Division's permit transfer and reclamation contract forms, we request that you please submit your information using the new forms. This will also eliminate any potential problem caused by expiration of the original notary's authority.

Enclosed for your convenience are copies of our updated forms. We have also enclosed copies of the existing forms which you may use to assist you in filling out the new forms. ***If possible, we request that you prepare a draft copy of these documents and telefax them to us for accuracy before you sign and notarize the forms. Our fax number is (801) 359-3940.*** Upon our receipt of the final signed and notarized replacement forms, the large mine permit for the

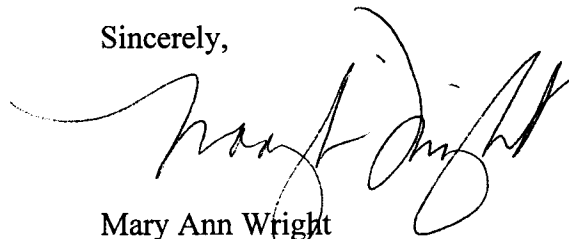
Page 2  
Robert Steele & Anthony Peck  
M/023/011  
December 3, 1998

Nephi Gypsum Quarry permit and all of the associated reclamation responsibilities will be effectively transferred from Thomas J. Peck and Sons, Inc. to Anthony T. Peck and Robert L. Steele (co-owners/operators of the mine property).

The existing reclamation surety is a \$17,900 letter of credit filed by Anthony T. Peck in May of 1992. This surety amount was acceptable in 1995 when we received the permit transfer form and reclamation contract agreement. However, as a result of onsite operational changes that have occurred since this surety was posted, and because the surety estimate is overdue for a standard 5-year escalation, the approved mining and reclamation plan and surety amount must be appropriately updated. By certified letter dated August 18, 1998, you were notified of the changes necessary to bring the existing permit and reclamation surety amount up to date (copy enclosed).

We apologize for the delay in notifying you and appreciate your patience in this regard. If you have questions regarding this action or in completing the new forms, please contact me, Wayne Hedberg, or Tom Munson of the Minerals Reclamation Program at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Ann Wright", is written over a faint, circular official stamp.

Mary Ann Wright  
Associate Director, Mining

jb

Enclosures: August 18, 1998 letter, transfer form, MR-RC  
copies of existing transfer form and Form MR-RC  
cc: Bruce Evans, Nephi Sandstone (w/o enclosures)  
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